

Lottery Licensing

What is a Lottery?

In simple terms, a lottery scheme may be defined as any scheme which has the following three components:

- a prize
- a chance (to win the prize)
- consideration or a fee

Therefore, a lottery scheme exists if money is paid or some other consideration is given for a chance to win a prize.

Administration of Lotteries

All authority to licence gaming activity flows from the provisions in the Criminal Code (Canada). The Criminal Code provides an exemption from the general prohibition against gambling, allowing eligible charities and religious organizations to conduct and manage lottery schemes under the authority of a licence by the appropriate authority.

Lotteries are administered through two levels of government:

- The Alcohol and Gaming Commission of Ontario (AGCO)
- Municipalities

The Registrar of the AGCO has been delegated authority so that it can license all types of approval lottery events, while municipalities may approve and license certain lottery events.

The Municipal Council

Municipal Councils have the authority to issue licenses for most lottery events conducted in their communities, including:

- Bingo events with prize boards of up to \$5,500
- Raffles with prizes of up to \$50,000
- Break Open Ticket events that are not conducted in conjunction with another licensed gaming event, and where the tickets are sold within the municipality
- 50/50 draws
- Bazaar gaming events
- Media Bingo

Since raising funds through gaming contains a certain element of risk on the part of the charitable organization, lotteries should be viewed as a supplement or alternative to the organization's other fundraising ventures.

Obtaining a Lottery License

Licenses can only be issued to eligible charitable or non-profit charitable organizations as defined under the AGCO's Lottery Licensing Policies.

What is Considered a Charitable or Non-Profit Charitable Organization?

In order to qualify for a lottery license, an "eligible" organization must demonstrate that it exists to provide services in one of these charitable classifications:

- a) The relief of poverty;
- b) The advancement of education;
- c) The advancement of religion;
- d) Other charitable purposes beneficial to the community, not falling under a), b), or c).

Proceeds from lotteries must be used for charitable or religious objects or purpose in the province of Ontario.

Eligibility

In order to be eligible your organization must:

- have been in existence for at least one year;
- have provided charitable community services consistent with the primary objects and purposes of the organization for at least one year;
- have a place of business in Ontario; demonstrate that it is established to provide charitable services in Ontario;
- propose to use proceeds for charitable purposes or objects that benefit Ontario and its residents; and
- assume full responsibility for the conduct and management of its lottery events.

When an organization first applies for any type of lottery license, an eligibility review is required and it must provide all of the following information and documents that apply to it:

- A copy of its letters patent;
- A copy of its constitution and by-laws;
- A copy of its budget for the current year;
- A copy of its financial statements for the preceding year;
- A list of its Board of Directors;

The terms and conditions for each lottery license set specific application requirements, which are summarized in the relevant licensing category.

Eligibility Applications, Terms and Conditions and requirements may be obtained from the Planning and Building Department, Building Service Counter located on the lower level of City Hall.

Cost

Cost of a lottery license is 3% of the total prize value.

Who Can I Contact for More Information?

Questions relating to Lottery Licensing can be directed to a Licensing Customer Service Representative by calling 905 335-7731 or by email at building@burlington.ca

Additional Information

- A copy of the Alcohol and Gaming Commission of Ontario's Lottery Licensing Policy Manual is available at www.agco.on.ca
- Further information pertaining to Lottery Licensing and Eligibility and Lottery Applications can be obtained from the City's web site at <http://cms.burlington.ca/Page6135.aspx>

LOTTERY LICENSING – FAQ's

1. What types of lottery events are licensed by the Municipality?

The Government of Ontario, by Order-in-Council designates the Registrar of Alcohol and Gaming and municipalities as licensing authorities. The municipality would issue lottery licences for the following types of events:

- Bingo – A game of chance where players are awarded cash or prize for being the first to complete a specified arrangement of numbers, selected at random, on preprinted bingo cards. Events with prize boards \$5,000 and under are licensed by the Municipalities
- Raffle - A lotteries scheme where tickets are sold for a chance to win a prize in a draw of up to a \$50,000 prize value. Those draws with prizes over a \$50,000 value – they are licensed by the AGCO
- Break Open Tickets - are instant-win lottery tickets commonly known as Pull Tab, Nevada or Break Open Tickets
- Bazaars - A one-day event where any combination of the following lotteries may be conducted: a wheel of fortune event (no more than three wheels, bets do not exceed \$1.00), a raffle or penny sale auction lottery not exceeding \$500 in prizes; a bingo lottery not exceeding \$500 in prizes.

2. Do I require a lottery licence to conduct my event?

Some popular types:

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|---------------------------------------|----------------------------|
| • Are you holding a Raffle draw? | Yes, a licence is required |
| • Are you holding a 50/50 draw? | Yes, a licence is required |
| • Are you holding a Bazaar? | Yes, a licence is required |
| • Are you selling Break Open Tickets? | Yes, a licence is required |
| • Are you holding a Calendar draw? | Yes, a licence is required |

What does not require a lottery licence?

- Games of skill such as: mini put, hockey shout out, bean bag toss, darts etc.
- Silent Auctions

3. Can I run more than one Lottery event at a time?

YES – the following combinations are permitted:

- 1 Break Open Ticket Licence at a time.
- Up to 3 Bingo Licences per 6 month period.
- You may run 1 raffle Licence with a Bingo Licence.

4. What is the City of Burlington's current lottery licensing fee schedule?

- Bingo: \$102.00 per event
- Raffle: 3% of total prize value
- Break Open Tickets: 3% of prize value per box
- Bazaar: 3% of prize value for bingo or raffle. \$10 per wheel.